

MINUTES

HOUSTON FIRST CORPORATION

BOARD OF DIRECTORS MEETING
September 18, 2025, beginning at 8:00 A.M.
Partnership Tower, 701 Avenida de las Americas, Suite 200
Houston, Texas 77010
HOUSTON FIRST BOARD ROOM

The Board of Directors ("Board") of Houston First Corporation (the "Corporation"), a Texas local corporation created and organized by the City of Houston as a local government corporation pursuant to TEX. TRANSP. CODE ANN. §431.101 et seq. and TEX LOC. GOV'T. CODE ANN. §394.001 et seq., held a meeting at Partnership Tower, 701 Avenida de las Americas, Suite 200, Houston, Harris County, Texas 77010 on Thursday, September 18, 2025, commencing at 8:00 a.m.

Written notice of the meeting, including the date, hour, place, and Agenda for the meeting was posted in accordance with the Texas Open Meetings Act.

- I. **Call to Order.** The meeting was called to order at 8:00 a.m. A quorum was established with the following Board Members in attendance: Jay Zeidman (Chair), Elizabeth Brock, Sofia T. Gonzalez, Nicki Keenan, Shareen Larmond, Wea H. Lee, Ryan Martin, Roxann Neumann, Bobby Singh, Council Member Twila Carter (ex-officio), and Council Member Joaquin Martinez (ex-officio). Dawn Fu-Kuei Lin arrived at 8:10 a.m.
- II. **Public Comments.** Lisa Hunt addressed the Board, emphasizing the importance of transportation decisions for Houston's growth and connectivity. She advocated for efforts benefiting both the East End and the broader Houston community. Lindsay Williams expressed concern that community input on the expansion and Polk Street closure was disregarded, stating the engagement process felt predetermined and lacked good-faith participation. Several hotel employees represented by Unite Here spoke regarding wage concerns. Speakers requested consideration of fair and livable wages to better support the workers and their families. Mark Grady spoke in support of hotel employees, urging investment in the City's workforce to help make Houston a leading destination for conventions.
- III. **Minutes.** Following a duly seconded motion, the minutes for June 10, 2025, were approved as presented.

IV. Presentations, Reports, and Updates.

A. Chairman's Remarks

Chairman Jay Zeidman acknowledged the concerns expressed and affirmed the importance and value of community input. He welcomed Sofia T. Gonzalez and Dawn Lin to the Houston First Board and congratulated Bobby Singh and Paul Puente on their reappointments.

Mr. Zeidman introduced Sonja Kostich as the new Executive Director of the Houston Ballet, succeeding retired member Jim Nelson.

B. President & CEO Report

Micheal Heckman, President and CEO, highlighted the strategic need for Houston to remain competitive with other cities investing in major developments, referencing Atlanta's privately developed entertainment district. He noted that the Convention District project will create jobs, enhance downtown vitality, and drive broader economic growth. He cited Discovery Green as a model of successful public investment and emphasized that the project aims to sustain long-term economic development and strengthen Houston's status as a world-class city.

Nathan Tollett, Senior Vice President, Convention Sales, reported several key updates, including new and returning convention groups. He noted that, while lead volumes have experienced a slight short-term decline, the long-term outlook for room nights remains strong.

Holly Clapham, Chief Marketing Officer, reported that Houston Theater Week achieved a record year. She reviewed year-to-date media performance, including impressions, supported by media familiarization visits, and noted that additional journalists are scheduled for upcoming visits.

Additionally, Ms. Holly provided updates on marketing efforts related to major sporting events, noting strong partnerships with the Astros and Major League Baseball, and planned downtown fan engagement initiatives.

C. Convention District Update

John Mooz, Senior Managing Director at Hines, provided a construction update, noting that the architect has completed procurement of its core team of subconsultants

Mr. Mooz stated that construction is progressing on schedule and that excavation and foundation work for the parking garage has commenced.

According to Mr. Mooz, the first foundation placement was completed as planned, marking a key project milestone.

He went on to outline upcoming milestones, including continued foundation and utility work through November, to be followed by vertical construction of the garage.

Mr. Mooz also provided a safety update, highlighting the number of days without a recordable incident, covering over 42,000 labor hours and an average of 60 workers on site daily. All workers, he noted, have completed required safety orientation and all foremen hold OSHA 30-hour certifications.

Mr. Mooz concluded by commending the team for maintaining progress, safety standards, and diversity goals while delivering this critical downtown redevelopment project on schedule.

D. Financial Report

Frank Wilson, Chief Financial Officer, stated that the overall financial position of the Corporation remains strong, with revenues exceeding budget expectations and expenses well-managed despite inflationary pressures.

Tino Robledo, with RSM, LLC, presented the external audit results, noting no changes in the auditor's required communications, apart from the implementation of new standards.

Mr. Robledo stated that no significant deficiencies were reported, and the audit strategy was adjusted to incorporate these new standards and ensure proper access.

E. Feasibility and Economic Impact Analysis

Bethanie DeRose, with Hunden Partners reported on the Feasibility and Economic Impact Study for the South Building Expansion.

F. Structural Financing for Major Capital Projects

Tina Peterman, with Masterson Advisors, stated that the primary financing objective is to address upfront project costs and the incremental revenues projected to be realized over approximately 30 years. She explained that the financing structure is designed to ensure strong coverage even under conservative scenarios, protecting future revenue streams while supporting the continuation of enterprise operations.

Ms. Peterman noted that the financing approach utilizes municipal bonds, incorporating capitalized interest and zero-coupon features. The structure, she

explained, leverages the project finance corporation to optimize debt service alignment and involves use of senior pledge revenues to support the transaction.

V. Board Business.

A. Consideration and possible approval of a resolution accepting the annual Financial Audit for the Corporation for the fiscal year ending December 31, 2024.

Elizabeth Brock, Chair of the Finance and Asset Management Committee, reported that the Committee met on September 15, 2025, to review the item. She stated that she was pleased with the depth and detail included in the audit and the analysis provided by RSM and the Finance team. She noted that a clean and transparent audit is critical to all organizations and particularly ones engaged in major projects.

Following a motion, duly seconded, the Board approved the item unanimously.

B. Consideration and possible approval of a resolution approving Phase I and Phase II Project Fees under the Development Management Agreement with Hines Southwest, LLC.

Elizabeth Brock, Chair of the Finance and Asset Management Committee, reported that the Committee met on September 15, 2025, to review the item.

She stated the item relates to the Development Management Agreement with Hines for the convention center transformation project, looking at both the current phase I and future phase II.

She added the work the Hines team has done over the last year has been exceptional and that she looks forward to them carrying through to completion of this project.

Following a duly seconded motion, the Board approved the item unanimously.

C. Consideration and possible approval of a resolution approving the Terms of a Lease Agreement with Free Range HCC, LLC.

Eizabeth Brock, Chair of the Finance and Asset Management Committee, reported that the Committee met on September 15, 2025, to review the item. She stated that the resolution allows Houston First to enter into a new lease with Free Range.

Following a duly seconded motion, the Board approved the item unanimously.

D. Consideration and possible approval of a resolution approving a Construction Contract for a restaurant and live entertainment venue in the Convention District.

Elizabeth Brock, Chair of the Finance and Asset Management Committee, reported that the Committee met on September 15, 2025, to review the item.

She noted that the Board previously approved the construction-manager-at-risk approach and that the Committee unanimously recommended this item for approval by the Board.

Following a duly seconded motion, recommendation of the resolution was approved unanimously.

VI. Executive Session

Executive (closed) session pursuant to Texas Government Code Section 551.071 for the purpose of consultation with Houston First Counsel regarding contemplated litigation.

Board Members, along with Michael Heckman, Paula Whitten-Doolin, and Frank Wilson, remained in the room for the Executive Session. Ryan Martin and Dawn Lin were not present during the Executive Session. All other attendees were directed to step out of the room.

The Executive Session began at 10:14 a.m. and ended at 10:22 a.m. The open meeting resumed at 10:23 a.m.

VII. Adjourn The meeting was adjourned at 10:23 a.m.